

## **Procedure No. 1-01**

### **CITY AUDITOR ROLE AND RESPONSIBILITIES**

#### **Auditing In City Government**

The City Auditor's Office conducts financial and performance audits and special studies which provide an insight into City departments and their programs. Such activities are but one step in the process of establishing City programs, evaluating their performance, providing the City Council and the Administration with needed information, and making any necessary changes to ensure that City programs are as efficient and effective as possible.

#### **The City Auditor's Responsibilities**

Section 805 of the San Jose City Charter establishes the Office of the City Auditor and outlines the Auditor's powers and duties as follows:

- A. Conduct or cause to be conducted annual post audits of all the fiscal transactions and accounts kept by or for the City. Such audits shall include but not be limited to the examination and analysis of fiscal procedures and the examination, checking and verification of accounts and expenditures. The audits shall be conducted in accordance with generally accepted auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary under the circumstances. The audits shall include the issuance of suitable reports of examination so the Council and the public will be informed as to the adequacy of the financial statements of the City.
- B. Conduct performance audits, as assigned by Council. A "performance audit" means a post audit which determines with regard to the purpose, functions and duties of the audited agency all of the following:
  - 1. Whether the audited department, office or agency, is managing or utilizing its resources, including public funds, personnel, property, equipment and space in an economical and efficient manner.
  - 2. Causes of inefficiencies or uneconomical practices, including inadequacies in management information systems, internal and administrative procedures, organizational structure, use of resources, allocation of personnel, purchasing policies and equipment.
  - 3. Whether the desired results are being achieved.

4. Whether objectives established by the Council or other authorizing body are being met.
- C. Conduct special audits and investigations, as assigned by Council. "Special audits" and "investigations" mean assignments of limited scope, intended to determine:
1. The accuracy of information provided to the Council.
  2. The costs and consequences of recommendations made to the Council.
  3. Other information concerning the performance of City Departments, Offices or Agencies as requested by the Council.
- D. The City Auditor shall have access to, and authority to examine any and all documents including but not limited to books, accounts, internal memoranda, writings and tapes, reports, vouchers, correspondence files and other records, bank accounts, money and other property of any City department, office or agency, whether created by the Charter or otherwise, with the exception of the office of any elected official.
- It is the duty of any officer, employee or agent of the City having control of such records to permit access to, and examination thereof, upon the request of the City Auditor or his or her authorized representative. It is also the duty of any such officer, employee or agent to fully cooperate with, and to make full disclosure of all pertinent information.
- E. Prepare and submit to the Council, in each calendar month, a written report of the City Auditor's activities and findings in the immediately preceding calendar month, together with any recommendations to improve the administration of the City.
- F. Perform other auditing functions, consistent with other provisions of this Charter, and prepare and submit such other reports, as may be assigned by the Council.

### **City Council Relations**

The City Auditor is appointed by and reports to the City Council. The Finance Committee, one of the standing committees of the City Council, has the primary responsibility of approving the scope of audit work, reviewing audit report findings and recommendations, and monitoring the implementation of recommendations. However, additional audit requests from City Council members and the Administration are first submitted to the Rules Committee for approval prior to City Auditor involvement.